

Message Text

CONFIDENTIAL

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42

ORIGIN ARA-06

INFO OCT-01 SS-14 ISO-00 L-01 NSC-05 NSCE-00 SP-02 EB-03

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APPROVED BY ARA/CEN:DAVID LAZAR

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FM SECSTATE WASHDC

TO AMEMBASSY TEGUCIGALPA IMMEDIATE

C O N F I D E N T I A L STATE 209953

LIMDIS

E.O. 11652: GDS

TAGS: EINV, EAGR, HO

SUBJECT: U.S. POSITION ON BANANA CONCESSION CANCELLATION

REF: TEGUCIGALPA 3845

1. NO CONFLICT EXISTS BETWEEN THE TWO STATEMENTS QUOTED IN REFTEL. EXPROPRIATION FOR VALID REASONS IS RECOGNIZED BY USG AS SOVEREIGN RIGHT OF STATES UNDER INTERNATIONAL LAW BUT, ALSO UNDER INTERNATIONAL LAW, AN EXPROPRIATING STATE HAS THE CORRELATIVE OBLIGATION TO MAKE PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION.

2. USG DOES CONSIDER PREMATURE CANCELLATION OF A CONCESSION AGREEMENT (AS OPPOSED TO CANCELLATION FOR A VIOLATION OF THE AGREEMENT WHERE THE AGREEMENT ITSELF SETS OUT CANCELLATION AS A PENALTY FOR THE VIOLATION ALLEGED) AS AN ACT OF EXPROPRIATION.

3. USG POSITION SET OUT IN PARAGRAPH 2 WAS CLEARLY OUT-CONFIDENTIAL

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LINED TO MINECON SAN MARTIN ON AUGUST 5. SEE MEMCON

OF AUGUST 5 RELATING MEETING ON PENDING AID CADASTER
LOAN BETWEEN HONDURAN GROUP AND CEN OFFICERS, PENULTIMATE
PARAGRAPH.

4. DEPARTMENT WILL POUCH TOMMORROW A MEMCON RELATING
AUGUST 29 DISCUSSION BETWEEN DEPARTMENT OFFICERS AND
ROBERT MOORE, GENERAL COUNSEL, CASTLE AND COOKE. MOORE
INDICATED IN THAT CONVERSATION THAT CASTLE AND COOKE
BELIEVES THE BEST COURSE OF ACTION IS TO TRY TO RESOLVE
MATTERS WITH GOH THROUGH NEGOTIATION RATHER THAN THROUGH
LEGAL ACTION. THEREFORE, WE BELIEVE PROBLEM RAISED IN
PARAGRAPH 4 REFTEL IS MOOT, AT LEAST FOR THE TIME
BEING. KISSINGER

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NNN

Message Attributes

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